

Decision 91 05 022 MAY 08 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of Landmark Land Company of)
California, Inc., dba Oak Tree Hotels,)
Inc., for the authority to increase)
fares for the transportation of)
passengers.)

ORIGINAL
Application 90-08-011
(Filed August 9, 1990)

OPINION

Landmark Land Company of California, Inc., dba Oak Tree Hotels, Inc., is a passenger stage carrier (PSC-7092) authorized to transport passengers on an on-call basis in Riverside County from a fixed base at La Quinta Hotel, La Quinta, to and from the Thermal Airport, Palm Springs Airport, and the surrounding and adjacent cities, communities and unincorporated areas and intermediate points over the streets and highways of Riverside County, without a fixed route.

Applicant seeks authority to increase passenger fares from \$15.00 to \$18.00 to offset increases in operating costs. Applicants's present passenger fares were established by Decision (D.)86-10-018, dated October 1, 1986, in Application (A.)86-06-055.

Applicant states that the requested increase is necessary to offset a 61% increase in fuel costs, a 65% increase in maintenance costs and a 50% increase in additional fees and insurance costs.

Based on December 31, 1990 data contained in the application, and assuming no change in expenses and revenue, the following table sets forth the estimated results of operations under present and proposed fares for test year ending December 31, 1991.

TEST YEAR ENDING DECEMBER 31, 1991

	Present fares	Proposed fares
Operating Revenue	225,000	270,000
Operating Expenses	308,451	308,451
Net Income (loss)	(83,451)	(38,451)
Operating Ratio	137%	114%

As indicated by the above table, applicant's operations in the test year ending December 31, 1991 under present fares will be at an operating ratio of 137%. The proposed fares will result in annual operating revenues of \$270,000 and a net loss of \$38,451, with an operating ratio of 114%.

Applicant states that it is aware that operations under the proposed fares would not be profitable. While still operating at a loss, applicant's other revenues can compensate for this deficit. However, any great loss would make it difficult to justify continuing to provide this service.

Findings of Fact

1. Applicant seeks authority to increase passenger stage fares approximately 20.0% to offset increased operating expenses.
2. Applicant's present fares were authorized by D.86-10-018, dated October 1, 1986 in A.86-06-055.
3. Applicant's operations in the test year ending December 31, 1991, under present fares, would be at a loss of \$83,451 with an operating ratio of 137%.
4. Operations under proposed fares for the test year ending December 31, 1991 will result in operating revenues of \$270,00, and a net loss of \$38,451, with an operating ratio of 114%.
5. The requested fares are necessary and justified.
6. Notice of the filing of this application appeared in the Commission's Daily Calender on August 13, 1990. No protests

have been received concerning this application and a public hearing is not necessary.

7. Applicant is operating at a loss.

Conclusion of Law

1. The fare increases requested in A.90-08-011 are just and reasonable and should be granted.

2. Because the applicant is operating at a loss, the order should be effective today.

ORDER

IT IS ORDERED that:

1. Landmark Land Company of California, Inc., dba Oak Tree Hotel, Inc., is authorized to establish the increased passenger fares proposed in Application 90-08-011. Tariffs shall be filed on or after the effective date of this order. They may go into effective date of this order on not less than five days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within 90 days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in applicant's vehicles a printed explanation of the fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

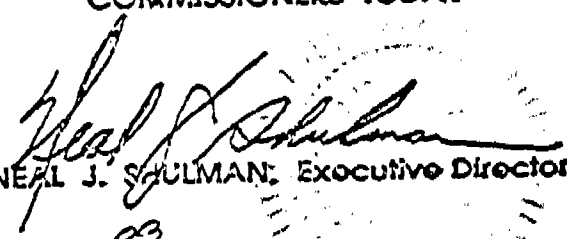
4. The application is granted as set forth above.

This order is effective today.

Dated MAY 08 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SCHULMAN, Executive Director